

## **Terms of Appointment for IPART as Scheme Administrator and Scheme Regulator of the Energy Security Safeguard Schemes under Schedule 4A of the *Electricity Supply Act 1995***

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### **1. General**

- 1.1. The Independent Pricing and Regulatory Tribunal (IPART) is appointed as Scheme Administrator and Scheme Regulator under the *Electricity Supply Act 1995* (the Act) for the Energy Security Safeguard Schemes (the Schemes):
  - a. Energy Savings Scheme
  - b. Peak Demand Reduction Scheme
  - c. Renewable Fuel Scheme
- 1.2. This document should be read in conjunction with the corresponding Orders of Appointment for Scheme Regulator and Scheme Administrator declared by the Minister under the Schemes.
- 1.3. This document sets out the transitional arrangements and functions for the Scheme Regulator and Scheme Administrator under the Schemes.
- 1.4. NSW Treasury will consult with IPART at the earliest opportunity regarding any potential amendments to the Act that it considers directly relate to IPART's performance of existing functions or which may confer additional functions on IPART.
- 1.5. Words and phrases defined in the Act and Electricity Supply (General) Regulation 2014 have the same meaning in this Terms of Appointment.

### **2. Transitional Arrangements**

- 2.1. In the event IPART's appointment as the Scheme Regulator and/or Scheme Administrator is revoked under the Act and a new Scheme Regulator and/or Scheme Administrator is appointed to carry out the statutory functions IPART must:
  - a. negotiate in good faith to enter into such transitional arrangements as are reasonably required to efficiently and effectively transfer responsibility of the functions of the Scheme Regulator and/or Scheme Administrator to the incoming Scheme Regulator and/or Scheme Administrator; and
  - b. where possible and subject to any restrictions on the use or disclosure of information under the law, provide NSW Treasury and the incoming Scheme Regulator and/or Scheme Administrator with access to information relating to the role of Scheme Administrator and/or Scheme Regulator.

## Scheme Regulator and Scheme Administrator Functions

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### 3. Functions under the Act

- 3.1. For the duration of its appointment as Scheme Regulator of the Schemes, IPART must carry out the functions under the following clauses of the Act:
  - a. clause 55(1) of Schedule 4A (Energy Savings Scheme);
  - b. clause 124(1) of Schedule 4A (Peak Demand Reduction Scheme); and
  - c. clause 189(1) of Schedule 4A (Renewable Fuel Scheme).
- 3.2. For the duration of its appointment as Scheme Administrator of the Schemes, IPART must carry out the functions under the following clauses of the Act:
  - a. clause 57(1) of Schedule 4A (Energy Savings Scheme);
  - b. clause 126(1) of Schedule 4A (Peak Demand Reduction Scheme); and
  - c. clause 191(1) of Schedule 4A (Renewable Fuel Scheme).

### 4. Additional functions

- 4.1. For the duration of its appointment as Scheme Regulator and Scheme Administrator of the Schemes, IPART must also give effect to the objects of the Energy Security Safeguard by carrying out the following functions:
  - a. Regulate each Scheme efficiently and effectively including by:
    - i. Taking a risk-based approach to preventing, detecting and responding to non-compliant activities; and
    - ii. Facilitating openness and transparency with stakeholders whilst maintaining independence.
  - b. Contribute to the development of each Scheme with NSW Treasury;
  - c. Collaborate with the Clean Energy Regulator to minimise administrative requirements for stakeholders participating in both the Renewable Fuel Scheme and the Guarantee of Origin scheme;
  - d. Collaborate with NSW Treasury to build the capability of Scheme Participants, Auditors, Accredited Certificate Providers, and Measurement and Verification Professionals to comply with their obligations under the Act;
  - e. Consult with NSW Treasury to:
    - i. Develop and implement stakeholder engagement plans and update as required; and
    - ii. Review and update IPART's risk and compliance framework for each Scheme as required.
  - f. Develop key performance indicators (**KPIs**) that measure the efficient and effective regulation and administration of the Schemes to support the achievement of scheme outcomes. IPART must ensure the KPIs are:

- i. Provided to the Minister for Energy for approval;
  - ii. Reported against on an annual basis to the Minister for Energy and published on IPART's website, with the first reporting period commencing from the Effective Date in the Order of Appointment; and
  - iii. Reviewed and updated on a regular basis to ensure the KPIs are relevant and appropriate.
- 4.2. IPART may publish information about the degree to which stakeholders comply with their obligations under the Schemes and related enforcement action.
- 4.3. IPART must, as soon as practicable after the end of the relevant year (for the Energy Savings Scheme) or compliance period (for the Peak Demand Reduction Scheme) publish information relevant to stakeholders including, but not limited to, the following:
  - a. Creation of Peak Reduction Certificates
  - b. Creation of Energy Savings Certificates
  - c. Number of Scheme Participants
  - d. Number of Accredited Certificate Providers